

Cowichan Lake Recreation Community (CLRC) Inc.

Minutes of the 2022 Special General Meeting

Sunday, May 29, 2022

10:00am – 2:00pm

1. Welcome & Introductions

Chair Rick Jeffery welcomed everyone to the meeting, introduced Directors, and reviewed the agenda.

2. Attendance/Quorum

53 of 57 Class A shares represented

- 44 Class A shares represented in person.
- 9 Class A shares represented by proxy.

Quorum achieved (29 required); SGM declared official.

3. Wastewater and Water System Upgrade and Replacement

Context and Background Information - R. Jeffery provided background information and outlined the legal requirements and the decision-making process guided the Board in developing the proposed resolution to upgrade the water and wastewater system in the Park. Further context and information was supplied by Mike Seymour of MSR Solutions Inc. Mike Seymour provided detailed engineering drawings, explanations of the work conducted to design the proposed system and some Frequently Asked Questions (see attached addendum). R. Jeffery and M. Seymour answered a range of questions from the owners and then M. Seymour left the meeting. Further questions and dialogue were facilitated by the Chair.

The **Written Resolution** was provided via email in advance of the meeting, but is included here for clarity:

WHEREAS:

The Wastewater Systems in the CLRC do not currently meet regulatory requirements and are at their end of life;

The Wastewater System for lots 23-45 (22 lots 1/3 Park) has failed. The temporary fix is not sustainable and is at high risk of further failure;

The water system in the Park has been subject to continual and constant leaks and is not compliant with code requirements;

The CVRD is in the process of raising the level of the lake which will make much of the current wastewater infrastructure unavailable for use over longer periods of time;

At the 2021 AGM there was clear consensus that functioning water and wastewater systems are necessary. Shareholders support moving forward with next steps, with a motion to approve anticipated at an Extraordinary General Meeting in the Spring. Shareholders indicated they would like to see options for both a single phase and two-phase approach, and that they would prefer to move ahead promptly and avoid increased costs due to delays and/or inflation. There was a unanimous and clear mandate to move forward with the Water and Wastewater projects;

The Board has determined that the most cost-effective option to replace the wastewater and water system is to conduct the project in one phase and complete both the water and wastewater systems concurrently;

The Board believes that given the ongoing supply chain disruptions, inflation and rising interest rates it is in the best financial interest of the Corporation to secure a price protected contract for replacement of the water and wastewater systems;

The CLRC Corporation has a legal responsibility to deliver working functional wastewater and water services to each shareholder lot;

The CLRC Corporation has a legal responsibility to comply with existing laws and regulations and a corporate responsibility to mitigate known environmental risks and hazards; and

The CLRC Board has a fixed price proposal from MSR Solutions Inc for \$1,558,410 to replace the wastewater and water systems in the Park (valid until June 8, 2022).

Therefore, Be It Resolved That:

The shareholders authorize the Board to enter into a contractual agreement with MSR Solutions Inc. to replace the wastewater and water systems.

The shareholders authorize the Board to enter into the necessary financing agreements required to complete the replacement of the wastewater and water system including interim financing and a mortgage.

The Board issue interim progress reports for the project to keep the shareholders apprised of progress and other issues as they may arise.

There was a request from some shareholders to conduct a ballot style vote rather than the prescribed paddle vote. This request was accommodated, and a secret ballot vote was conducted. The scrutineers for the vote were K. Chadwick and D. Lidgate.

APPROVED (47 in favour; 6 against)

The Board suggested forming a sub-committee to oversee the project and asked for volunteers to join the committee. No volunteers came forward.

The Chair closed the meeting reiterating that as stated in the resolution the Board would keep the shareholder updated on the progress of the project on a regular basis.

4. Adjournment

Motion to adjourn (2:00pm)

Moved: Doug (Lot 6)